

	<b>INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY</b>	
	<b>Chapter 12:</b> Foster Family Home Licensing	<b>Effective Date:</b> December 1, 2021
	<b>Section 31:</b> Financial Verification for Licensure	<b>Version:</b> 3

## POLICY OVERVIEW

Foster care payments received on behalf of the child are intended for the sole benefit and care of the child while in foster care. In accordance with 465 IAC 2-1.5-5 (Qualifications of The Foster Family; Finances), foster parents shall demonstrate that the household has sufficient income and appropriate fiscal management to maintain its stability and security without a foster care payment.

## PROCEDURE

Foster family applicants will complete the Financial Verification for Foster Family Homes form as part of the licensure, and re-licensure process. The financial information section will include:

1. Source and amount of monthly household income; and
2. Source and amount of monthly expenses and outstanding debts.

**Note:** All income and expense information should be verified with appropriate supporting documentation including, but not limited to: paycheck stubs, tax forms, and monthly utility or other account statements. Required items needing verification are indicated on the Financial Verification for Foster Family Homes form.

The licensing worker will:

1. Review the information submitted by the applicants and address any missing or unclear information;

**Note:** When reviewing/evaluating the financial stability of a foster family home for licensure purposes, the licensing worker should consider monthly income including, but not limited to:

- a. Wages from employment,
- b. Rental property income,
- c. Investment income,
- d. Monthly trust fund payments, and
- e. Child support payments.

Recurring, but not time limited payments, may also be considered as monthly income.

This includes but is not limited to:

- a. Social Security (RSDI) payments,
- b. Title IV-E Adoption Assistance (AAP),
- c. Supplemental Security Income (SSI), and
- d. Veteran Benefits.

2. Evaluate the financial information received on the Financial Verification for Foster Family Homes form to determine whether the foster family home has adequate income to meet monthly financial obligations without utilizing foster care maintenance payments as income;

**Note:** Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) are not considered monthly income for the purposes of foster family home licensure. Receipt of these funds does not automatically disqualify an applicant from becoming a foster parent.

3. Discuss with the foster family home the importance of utilizing foster care maintenance payments (per diems) for the benefit and care of the child while in foster care including, but not limited to:
  - a. Food for the child (including infant formula);
  - b. Clothing (e.g., replacement clothing, repairs, mending, and alterations);
  - c. Shelter (e.g., summer camp or hotel accommodations during school trips);
  - d. Supervision that substitutes for daily supervision (i.e., day-care/babysitter);
  - e. School supplies (e.g., paper, pens, and calculator); and
  - f. Child's ongoing personal incidentals (e.g., soap, shampoo, toothpaste, diapers, and wipes).

**Note:** Per diem is **not** intended and should not be expected or represented to cover costs that would be ordinarily incurred by the foster parent in the absence of a foster care payment. Expenses that should **not** be paid from per diem include but are not limited to: the foster parent's rent, mortgage, insurance payment, car payment, or routine housing maintenance cost. See policy 16.01 Clothing, Personal Items, and Permitted Per Diem Expenses for additional information.

4. Re-evaluate the financial stability of the home if at any point circumstances of the foster family home suggest the need for reassessment due to any significant changes in monthly income or expenses (e.g., unexpected change in employment, relocation, or any additional children through adoption/custody change). A new Financial Verification for Foster Family Homes form may be requested to document the re-evaluation of financial stability.
5. Document all verifications of income and expenses in the case management system.

#### LEGAL REFERENCES

- [IC 31-27-2-5: Monitoring of licensed entities](#)
- [IC 31-27-4-33: Compliance with rules; disciplinary sanctions; revocation of license](#)
- [465 IAC 2-1.5: Licensing of Foster Family Homes for Children](#)

#### RELEVANT INFORMATION

##### Definitions

##### Licensing Worker

A licensing worker is a DCS Regional Foster Care Specialist [RFCS] or a Licensed Child Placing Agency (LCPA) worker.

**Forms and Tools**

- [Financial Verification for Foster Family Homes \(SF 55734\)](#)

**Related Policies**

- [16.01 Clothing, Personal Items, and Permitted Per Diem Expenses](#)